Osino Resources Corp.
Consolidated Financial Statements
For the years ended December 31, 2023 and 2022

Contents

The reports and statements set out below comprise the consolidated financial statements presented to the shareholder:

Director's Responsibilities and Approval

The director is required in terms of the British Columbia Business Corporations Act to maintain adequate accounting records and is responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is his responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and reporting on the company's consolidated financial statements. The consolidated financial statements have been examined by the company's external auditors.

The consolidated financial statements set out on page 3 to 39, which have been prepared on the going concern basis, were approved by the board on April 29, 2024 and were signed on their behalf by:

/s/ "Heye Daun"	/s/ "Alan Friedman"
Director	**Director**

Independent Auditor's Report

To the Shareholders of Osino Resources Corp.:

Opinion

We have audited the consolidated financial statements of Osino Resources Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of loss and other comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the company has a history of losses and as at December 31, 2023, the Company had a working capital deficit and an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

MNP LLP
1 Adelaide Street East, Suite 1900, Toronto ON, M5C 2V9 1.877.251.2922 T: 416.596.1711 F: 416.596.7894

Accounting for the Acquisition of Klein Okawayo (Pty) Ltd.

Key Audit Matter Description

As described in Note 9 (b) to the consolidated financial statements, the Company entered into an agreement to acquire all of the issued and outstanding shares of Klein Okawayo (Pty) Ltd. ("Klien Okawayo") during the year ended December 31, 2023.

We considered the accounting for the acquisition of Klien Okawayo a key audit matter due to the significant judgement applied by management in concluding that this transaction did not represent a business under IFRS 3 Business Combinations and in estimating the fair value of acquisition.

Audit Response

Our approach to addressing the matter included, but was not restricted to, the following procedures:

- We obtained and examined the share purchase agreement related to the acquisition;
- We evaluated management's assessment on whether the acquisition represents an asset acquisition or a business under IFRS 3 Business Combinations;
- We assessed management's analysis on the determination of the value of the land acquired as a result of the acquisition and their estimate of the fair value of consideration transferred;
- We reviewed the presentation and adequacy of the related consolidated financial statements disclosures.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Brock Stroud.

MNP LLP

Toronto, Ontario
April 29, 2024

Chartered Professional Accountants
Licensed Public Accountants

Osino Resources Corp.

Consolidated Financial Statements for the years ended December 31, 2023 and 2022
Presented in Canadian dollars

Consolidated Statement of Financial Position

Figures in Canadian Dollar	Note(s)	December 31, 2023	December 31, 2022
Assets			
Non-Current Assets			
Property, plant and equipment	2	13,694,567	867,476
Right-of-use assets	3	62,632	117,353
Long term deposit	5	1,434,246	2,089,331
		15,191,445	**3,074,160**
Current Assets			
Sales tax receivables and other assets	6	2,281,320	2,266,152
Cash and cash equivalents	7	9,343,228	19,606,677
		11,624,548	**21,872,829**
Total Assets		**26,815,993**	**24,946,989**
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	8	99,417,998	88,707,190
Reserves		13,832,083	12,251,698
Accumulated loss		(117,022,787)	(89,166,932)
		(3,772,706)	11,791,956
Non-controlling interest		(6,742)	(1,377,708)
		(3,779,448)	**10,414,248**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	10	24,941	95,341
Lease liability	11	28,678	83,743
Credit facility	12	-	5,771,493
		53,619	**5,950,577**
Current Liabilities			
Trade and other payables	13	5,411,742	2,568,496
Consideration payable	9	-	5,214,209
Credit facility	12	20,044,643	-
Other financial liabilities	10	2,756,654	61,358
Lease liability	11	44,615	46,164
Interest payable	12	-	102,547
Warrant derivative	12	2,284,168	589,390
		30,541,822	**8,582,164**
Total Liabilities		**30,595,441**	**14,532,741**
Total Equity and Liabilities		**26,815,993**	**24,946,989**

Nature of business, going concern and material accounting policies (note 1), Commitments (note 16), Events after the reporting period (note 19)
The notes are an integral part of the consolidated financial statements.

/s/ "Heye Daun"
Director

/s/ "Alan Friedman"
Director

Consolidated Statements of Loss and Other Comprehensive Loss for the years ended:

Figures in Canadian Dollar	Note(s)	December 31, 2023	December 31, 2022
Amortisation and depreciation	2/3	(192,193)	(209,767)
Consulting and professional fees		(6,854,056)	(1,837,831)
Exploration and evaluation		(7,139,259)	(20,641,672)
Office and administration	21	(1,217,071)	(848,428)
Management fees		(617,000)	(540,000)
Salaries and benefits	8	(2,883,914)	(3,487,059)
Stock option expense	8	(1,354,866)	(2,033,315)
Travel		(249,705)	(213,453)
Operating loss		**(20,508,064)**	**(29,811,525)**
Investment income		209,531	112,902
Finance charges and accretion adjustment	10/11/12	(3,592,952)	(185,827)
Foreign exchange loss		(66,777)	(410,156)
Fair value adjustment to warrant derivative		(962,627)	(32,229)
Total comprehensive loss for the year		**(24,920,889)**	**(30,326,835)**
Other comprehensive loss:			
Other comprehensive income/(loss)			
Foreign currency translation		278,632	(192,946)
Total comprehensive loss for the year		**(24,642,257)**	**(30,519,781)**
Loss attributable to:			
Owners of the parent		(24,879,558)	(30,035,279)
Non-controlling interest		(41,331)	(291,556)
		(24,920,889)	**(30,326,835)**
Total comprehensive loss attributable to:			
Owners of the parent		(24,600,926)	(30,228,225)
Non-controlling interest		(41,331)	(291,556)
		(24,642,257)	**(30,519,781)**
Loss per share			
Weighted number of shares outstanding		159,179,285	133,651,226
Loss per share - Basic and diluted		$0.16	$0.22

Notes are an integral part of the consolidated financial statements.

Osino Resources Corp.

Consolidated Financial Statements for the years ended December 31, 2023 and 2022

Consolidated Statements of Changes in Equity

Figures in Canadian dollars, except number of shares	Number of Shares	Share Capital	Share-based Payment Reserve	Warrant Reserve	Cumulative Translation Reserve	Accumulated loss	Shareholders Equity	Non-controlling interest
Balance at December 31, 2021	**120,174,793**	**57,221,521**	**5,668,020**	**7,183,449**	**(14,022)**	**(58,397,856)**	**11,661,112**	**(1,101,758)**
			-					
Aquisition of minority shares**	1,037,615	622,571	-	-	-	(733,797)	(111,226)	15,606
Comprehensive loss adjustment	-	-	-	-	(192,946)	-	(192,946)	-
Exercise of warrants	6,507,750	8,974,838	-	(2,141,701)	-	-	6,833,137	-
Exercise of stock options	1,518,282	928,692	(928,692)	-	-	-	-	-
Exercise of broker warrants	784,364	915,119	-	(303,316)	-	-	611,803	-
Issue of shares	14,752,500	11,802,000	-	-	-	-	11,802,000	-
Issue of shares for mineral properties	11,630,628	8,955,584	-	-	-	-	8,955,584	-
Vesting of restricted stock units	-	-	947,591	-	-	-	947,591	-
Loss for the year	-	-	-	-	-	(30,035,279)	(30,035,279)	(291,556)
Movement in value of share options	-	-	2,033,315	-	-	-	2,033,315	-
Share issue costs	-	(713,135)	-	-	-	-	(713,135)	-
Balance at December 31, 2022	**156,405,932**	**88,707,190**	**7,720,234**	**4,738,432**	**(206,968)**	**(89,166,932)**	**11,791,956**	**(1,377,708)**

** Acquisition of minority interests

In August 2022, the Company acquired the 10% minority interest held in Osino Namibia Minerals Exploration (Pty) Ltd and the remaining 20% minority interest held in Richwing Exploration (Pty) Ltd ("Richwing"). The breakdown and effect of the acquisitions in equity are as follows:

Non-controlling interests:	
Adjustment to accumulated losses brought forward	$13,359
Adjustment to current year losses	$ 2,247
Total effect disclosed in the statement of changes in Equity	$15,606
Owners of the parent:	
Adjustment to accumulated losses brought forward	$733,797

The notes are an interal part of the consolidated financial statement

Consolidated Statements of Changes in Equity

Figures in Canadian Dollar except number of shares	Number of Shares	Share Capital	Share-based Payment Reserve	Warrant Reserve	Cumulative Translation Reserve	Accumulated loss	Shareholders Equity	Non-controlling interest
Balance at December 31, 2022	**156,405,932**	**88,707,190**	**7,720,234**	**4,738,432**	**(206,968)**	**(89,166,932)**	**11,791,956**	**(1,377,708)**
Aquisition of minority shares**	1,700,000	1,564,000	-	-	-	(2,976,297)	(1,412,297)	1,412,297
Comprehensive income adjustment	-	-	-	-	278,632	-	278,632	-
Exercise of warrants	711,907	1,127,012	-	(307,286)	-	-	819,726	-
Exercise of stock options	830,700	331,097	(268,597)	-	-	-	62,500	-
Exercise of restricted stock units	173,867	182,599	(182,599)	-	-	-	-	-
Issue of shares	7,195,524	7,770,745	-	-		-	7,770,745	-
Loss for the year	-	-	-	-	-	(24,879,558)	(24,879,558)	(41,331)
Movement in value of share options	-	-	1,354,866	-	-	-	1,354,866	-
Share issue costs	-	(264,645)	-	-			(264,645)	-
Vesting of restricted stock units	-	-	705,369	-	-	-	705,369	-
Balance at December 31, 2023	**167,017,930**	**99,417,998**	**9,329,273**	**4,431,146**	**71,664**	**(117,022,787)**	**(3,772,706)**	**(6,742)**

** Acquisition of minority interests In January 2023, the Company acquired the remaining 3% minority interest held in Osino Gold Exploration and Mining (Pty) Ltd. In June 2023, the company acquired the remaining 10% minority interest held in Toroa Minerals Exploration (Pty) Ltd. The breakdown and effect of the acquisition in equity is as follows:

Non-controlling interests:	
Adjustment to accumulated losses brought forward	$1,371,156
Adjustment to current year losses	$ 41,141
Total effect disclosed in the statement of changes in Equity	$1,412,297
Owners of the parent:	
Adjustment to accumulated losses brought forward	$2,976,297

The notes are an integral part of the consolidated financial statements.

Osino Resources Corp.

Consolidated Financial Statements for the years ended December 31, 2023 and 2022

Presented in Canadian dollars

Consolidated Statements of Cash Flows for the year ended:

Figures in Canadian Dollar	Note(s)	December 31, 2023	December 31, 2022
Cash flows from operating activities			
Cash used in operations*+	14	(21,932,729)	(15,514,177)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(9,194,472)	(22,402)
Proceeds on disposal of property, plant and equipment	2	5,315	-
Movement in value of Long term deposit	5	(713,669)	(2,089,331)
Aquisition of non-controlling interests		-	(95,620)
Net cash flows (used in) / generated from investing activities		**(9,902,826)**	**(2,207,353)**
Cash flows from financing activities			
Proceeds from private placement	8	7,770,745	11,802,000
Share issuance costs	8	(264,645)	(713,135)
Repayment of loan	10	(66,665)	(88,720)
Proceeds from borrowings	12	13,301,450	6,232,578
Proceeds from exercise of warrants	8	819,726	7,444,940
Proceeds from stock options	8	62,500	-
Lease payments	11	(51,005)	(52,918)
Net cash from financing activities		**21,572,106**	**24,624,745**
Total cash movement for the year		**(10,263,449)**	**6,903,215**
Cash at the beginning of the year		19,606,677	12,703,462
Total cash at end of the year	7	**9,343,228**	**19,606,677**

*Cash utilised in operating activities includes:		
Interest income	209,531	112,902
Interest paid	1,382,926	-

+During the prior year, 389,373 RSUs with a fair value of $443,885 were issued to related parties in settlement of previously outstanding bonuses and long term service awards. The Company also issued 11,630,628 common shares for the Razorback Gold Mining Company (Proprietary) Limited acquisition for a value of $8,955,584.

The notes are an integral part of the consolidated financial statements.

Material Accounting Policies

1. Nature of business, going concern and material accounting policies

Nature of Business

Osino Resources Corp. (the Company or the Group) was incorporated on June 5, 2012 in the province of British Columbia, Canada, under the British Columbia Business Corporations Act. The principal activity of the Company is the acquisition, exploration and development of gold mining properties in Namibia. The Company's head office is located at Suite 810, 789 West Pender Street, Vancouver, BC, V6C1H2, Canada.

The business of exploring for and mining of minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations.

On June 22, 2018, the Company, then Romulus Resources Ltd. ("Romulus"), completed an amalgamation with Osino Resources Corp. ("ORC") , a private company focused on the acquisition and development of gold properties in Namibia, and 1152372 B.C. Ltd. ("1152372"), a wholly-owned subsidiary of the Company (the "RTO Transaction"). Under the RTO Transaction, each of the issued and outstanding common shares in the capital of ORC were cancelled and exchanged for common shares of the Company. Concurrent with the amalgamation, ORC and 1152372 were amalgamated and the Company changed its name to "Osino Resources Corp."

Going concern

The Company has a history of losses with no operating revenue, an accumulated deficit at December 31, 2023 of $117,022,787 (December 31, 2022 – $89,166,932), and working capital deficit at December 31, 2023 of $18,917,274 (December 31, 2022 – working capital surplus of $13,290,665). The Company will continue to require additional sources of financing to fund ongoing operating costs and exploration and development of its mineral properties. The Company raised funds during the year ended December 31, 2023 and utilized these funds for its working capital requirements.

On December 17, 2023 Osino entered into a definitive agreement with Dundee Precious Metals ("DPM") whereby DPM would acquire all of the issued and outstanding common shares of Osino. The acquisition transaction included access to a Concurrent private placement where DPM agreed to purchase an aggregate of $10,000,000 in common shares of Osino in two equal tranches. On December 22, 2023 Osino completed the initial tranche through a non-brokered private placement and received a gross proceed of $5,000,000. The second tranche of $5,000,000 was drawn on January 30, 2024.

The Company announced on February 19, 2024, that it received a binding proposal from Yintai Gold Co. Ltd for the acquisition of all of the issued and outstanding common shares of the Company and all of the issued and outstanding securities convertible into Common Shares for cash consideration of C$1.90 for each Common Share by way of a plan of arrangement. The New Offer contemplates that the offeror will provide the Company with a loan comprising of (i) US$10 million facility concurrently with the execution of the arrangement agreement to enable the continued, fast-tracked development of the Twin Hills gold project and to fund other liquidity needs of the Company and (ii) an advance in an amount of $10,000,000 (US$7,416,197) equal to the termination fee payable by the Company in the event of a termination of the DPM Arrangement Agreement as a result of the New Offer. As a result, the Company secured funding in the amount of US$17,416,197 in terms of the Offer Agreement. The Company received the funding in the amount of US$17,416,197 on February 26, 2024. In addition, stock options and warrant exercises in the amount of $6,081,417 have been received as of April 22, 2024

There can be no assurance that the Company will actively pursue obtaining additional financing beyond the closing of the definitive agreement(s). If the Company is unable to obtain adequate additional financing, the Company may need to further curtail its activities until additional funds can be available. It is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and require an impairment provision to the carrying value of exploration properties and related assets.

Due to operating losses, the Company's continuance as a going concern is dependent upon its ability to access financing to fund ongoing planned operating costs and planned activities for the development of its Twin Hills Gold Project. The non closure of either the DPM or Yintai Gold Co. Ltd transactions to acquire Osino will create a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Effective February 25, 2024, the Company terminated the binding proposal from DPM.

Management believes that the Company will be able to continue as a going concern for the foreseeable future and realize its assets and discharge its liabilities and commitments in the normal course of business. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material.

Material Accounting Policies

a) Statement of compliance with IFRS

These consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of April 29, 2024 the date the Board of Directors approved these consolidated financial statements for issue.

b) Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements include the accounts of Osino Resources Corp. and its wholly-owned subsidiaries, Osino Mining Investments Limited (formerly Osino (BVI) Limited), Razorback Mauritius Limited (formerly Osino Mauritius Holdings), Osino Namibia Holdings (Pty) Ltd ("Osino Holdings"), Osino Prospect Holdings (Pty) Ltd, Osino Otavi Holdings (Pty) Ltd, The Twin Hills Trust and Osino Property Holdings (Pty) Ltd (formerly Tolo Minerals Exploration (Pty) Ltd), Osino Namibia Minerals Exploration (Pty) Ltd ("Osino Namibia"), as well as the accounts of 100% owned subsidiary, Osino Gold Exploration and Mining (Pty) Ltd, formerly, "Osino Gold Exploration (Pty) Ltd ("Osino Gold"), the accounts of 80% owned Fairview Minerals Exploration (Pty) Ltd, the accounts of 70% owned Vavali Mining Exploration (Pty) Ltd, the accounts of 100% owned Mitten Minerals Exploration (Pty) Ltd, the accounts of 100% owned Terrace Minerals Exploration (Pty) Ltd, the accounts of 100% Ambulant Investments (Pty) Ltd, the accounts of 100% owned Osino Farming Investments (Pty) Ltd, the accounts of 100% owned Klein Okawayo (Pty) Ltd and the accounts of 100% owned Toroa Minerals Exploration (Pty) Ltd. All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions have been eliminated.

Richwing Exploration (Pty) Ltd of which 60% of the shares are held by Osino Mining Investments Limited is accounted for as a joint venture due to the minority 40% shareholder and the Company having joint control over the strategic direction and operational work program of the company.

On April 19, 2022, the redomicile of Osino (BVI) Limited from the British Virgin Islands to the Republic of Mauritius by continuation was approved by the Registrar of Companies in the British Virgin Islands effective March 23, 2022. Effective August 25, 2022, Osino (BVI) Limited concluded its name change to Osino Mining Investments Limited. Effective June 6, 2022, the Company registered a new wholly owned subsidiary company in Mauritius, Osino Mauritius Holdings ("Osino Mauritius"). Effective August 25, 2022, Osino Mauritius Holdings registered a name change to Razorback Mauritius Limited.

During the year, the Company restructured the intercompany shareholding structure of Osino such that Osino Mining Investments Limited ("OMIL") became the sole shareholder of Osino Prospect Holdings (Pty) Ltd, Osino Otavi Holdings (Pty) Ltd, Ambulant Investments (Pty) Ltd and Richwing Exploration (Pty) Ltd.

A subsidiary is an entity over which the Company is exposed, or has rights to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiary. Where control of an entity is obtained during a financial period, its results are included in the consolidated statement of loss and other comprehensive loss from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

Material Accounting Policies

c) Functional currency translation

i) Functional and presentation currency

Items included in the consolidated financial statements of each consolidated entity in the group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the reporting parent's functional currency. The functional currency of the reporting parent's subsidiaries is the Namibian dollar ("N$") and United States Dollar ("US$").

The financial statements of entities that have a functional currency different from that of the reporting parent's operations are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the consolidated statement of financial position, and income and expenses – at the average rate for the period (as this is considered a reasonable approximation to the actual rates). All resulting changes are recognized in other comprehensive income or loss as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income or loss related to the foreign operation are recognized in profit or loss. If an entity disposes of part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statement of loss and other comprehensive loss.

d) Measurement uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgements made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

Significant areas requiring the use of estimates and assumptions include valuation of share-based payment reserves, warrant reserves, valuation of derivative liabilities and restoration, rehabilitation and environmental obligations. By their nature, these estimates and assumptions are subject to measurement uncertainty, and the impact of changes in estimates in the consolidated financial statements of a future period could be material.

e) Significant accounting judgements

The critical judgements that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (note 1(d)), that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral rights, the assessment and classification of directly attributable development costs that are capitalised to the extent that they are necessary to bring the property to commercial production, the classification of joint arrangements as either a joint venture or joint operation, assessing if an acquisition of a company meets the definition of a business in accordance with IFRS 3, the assesment of control over subsidiaries, or whether the company controls another entity, determining the smallest group of assets that generates independent cash flow, the interpretation and application of tax laws, the determination of functional currency for the Company and its subsidiaries, and the assumption that the Company will continue as a going concern.

f) Property, plant, and equipment

Property, plant, and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant, and equipment consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at a rate calculated to expense the cost of equipment, less its estimated residual value, over the following expected useful lives:

Material Accounting Policies

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	4 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	6 years
IT equipment	Straight line	6 years
Leasehold improvements	Straight line	6 years
Buildings	Straight line	20 years

Development expenditures are capitalized to the extent that they are necessary to bring the property/project to commercial production. Development costs capitalized are those costs that are directly attributable to the area of interest or capable of being reasonably allocated to an area of interest. Mine development costs are amortized in the year in which the mine commences with production using the units-of-production method based on estimated recoverable ounces or pounds in proven and probable reserves

g) Mineral property costs

Mineral property acquisition and exploration costs are expensed as incurred. The Company has not yet realized any revenues from its mineral operations. When it has been determined that a mineral property can be economically developed as a result of establishing probable and proven reserves, the costs then incurred to develop such property will be capitalized. Such costs will be amortized using the unit of production method over the estimated life of the probable reserve. If properties are abandoned or the carrying value is determined to be in excess of possible future recoverable amounts the Company will write off the appropriate amount.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less and which are subject to an insignificant risk of changes in value.

Material Accounting Policies

i) Taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not recognized on the initial recognition of goodwill, on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction and does not give rise to equal taxable and deductible temporary differences at the time of the transaction, and on temporary differences relating to investments in subsidiaries and jointly controlled entities where the reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that are expected to apply when the assets are recovered and the liabilities settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

j) Non-monetary transactions

Transactions with no cash consideration are measured at the fair value of either the asset given up or the asset received, whichever is more reliably determinable.

k) Earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net earning/(loss) available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculations as the effect would be anti-dilutive.

Material Accounting Policies

l) Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

A CGU recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized.

Industry specific indicators for an impairment review on mineral rights and capitalized exploration related expenditures arise typically when one of the following circumstances applies:

• Substantive expenditure on further exploration and evaluation activities is neither budgeted nor planned;
• Title to the asset is compromised;
• Adverse changes in variations in commodity prices and markets; and
• Variations in the exchange rate for the currency of operation.

m) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when an environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant, other site preparation work, and water and soil management, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value of the liability. These costs are charged against profit or loss over the economic life of the related assets, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company may in the future be affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation or environmental obligations as at December 31, 2023 and 2022.

n) Share-based payments

The Company from time to time may issue shares, warrants, restricted stock units or options to its directors, officers, consultants and employees. The Company values share-based payments using the fair-value method of the services provided. When the value of the services cannot be reliably measured, the Company uses the fair value of the equity instrument issued.

For stock options issued to its directors, officers, consultants and employees, the Company values any stock-based compensation, utilizing the Black-Scholes option pricing model. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense and an increase or decrease to the share-based payment reserve. Share purchase warrants issued are also valued using the Black-Scholes model.

Material Accounting Policies

o) IFRS 9 Financial instruments

Below is a summary showing the classification and measurement of our financial instruments:

Classification	IFRS 9
Cash and cash equivalents	FVTPL
Trade and other payables	Amortized cost
Other financial liabilities	Amortized cost
Warrant derivative	FVTPL
Credit facility	Amortized cost
Consideration payable	Amortized cost

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, amortized cost, or fair value through other comprehensive income. The Company determines the classification of its financial assets at initial recognition.

i) Financial assets recorded at fair value through profit or loss ("FVTPL")

Financial assets are classified as fair value through profit or loss if they do not meet the criteria of amortized cost or fair value through other comprehensive income. Gains or losses on these items are recognized in profit or loss.

ii) Investment recorded at fair value through other comprehensive income ("FVOCI")

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognised permanently in OCI with no reclassification to profit or loss. The election is made on an investment by investment basis.

iii) Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at fair value through profit and loss: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i) Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

ii) Financial liabilities recorded as fair value through profit or loss ("FVTPL").

Financial liabilities are classified as fair value through profit or loss if they fall into one of the five exemptions namely, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

Transaction costs

Transaction costs associated with financial instruments, carried at fair value through profit or loss, are expensed as incurred, while transaction costs associated with all other financial instrument are included in the initial carrying amount of the asset or the liability.

Material Accounting Policies

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's financial statements. The carrying amount of a financial asset is written off (either partially of in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

p) IFRS 16 Right of use asset

The right-of-use asset is a lessee's right to use an asset over the life of a lease. The asset is calculated as the initial amount of the lease liability, plus any lease payments made to the lessor before the lease commencement date, plus any initial direct cost incurred, minus any lease incentives received.

The amortization period for the right-of-use asset is from the lease commencement date to the earlier of the lease term or the end of the useful life of the asset.

If a right-to-use asset is determined to be impaired, the impairment is immediately recorded, thereby reducing the carrying amount of the asset. Its subsequent measurement is calculated as the carrying amount immediately after the impairment transaction, minus any subsequent accumulated amortization.

At the termination of a lease, the right-to-use asset and associated lease liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a profit or loss at that time.

Leases

The Company allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Company has elected not to seperate non-lease components and instead account for it as a single lease component.

Lessee

The Company recognises right-of-use assets and lease liabilities for all leases except for leases of low-value assets and leases with a duration of twelve months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Material Accounting Policies

q) Non-controlling interest

Non-controlling interests in the Company’s less than wholly-owned subsidiaries are classified as a separate component of equity. On initial recognition, non-controlling interests are measured at their proportionate share of the acquisition date fair value of identifiable net assets of the related subsidiary acquired by the Company. Subsequent to the acquisition date, adjustments are made to the carrying amount of non-controlling interests for the non-controlling interests’ share of changes to the subsidiary’s equity. Adjustments to recognize the non-controlling interests’ share of changes to the subsidiary’s equity are made even if this results in the non-controlling interests having a deficit balance. If changes in the Company's ownership interest in a subsidiary result in a loss of control, the Company derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position, recognizes any investment retained in the former subsidiary when control is lost and subsequently accounts for it in accordance with relevant IFRSs and recognizes the gain or loss associated with the loss of control attributable to the former controlling interest. When the Company acquires a portion of a non-controlling interest, the fair value of the consideration paid and the proportionate share of accumulated losses belonging to the non-controlling interest is reclassified to accumulated loss.

r) Joint Arrangements

A joint arrangement represents an arrangement where two or more parties hold joint control. Joint control is deemed to exist under contractual agreement where decisions regarding relevant activities of the arrangement require the unanimous consent of those parties sharing control. A joint venture is a joint arrangement and represents a company or other entity in which each venturer has an interest, holds joint control and holds rights to the net assets of the entity. Interests in joint ventures are accounted for using the equity method of accounting. The Company does not recognize losses exceeding the carrying value of its interest in joint ventures.

s) Standards and interpretations in issue not yet adopted

At the date of statement of the consolidated financial position of these consolidated financial statements the following standards and interpretations were in issue but not yet effective:

- IAS 1 Presentation of Financial Statements - (effective for accounting periods beginning on or after 1 January 2024);
- IAS 21 amendment: Lack of exchangeability - (effective for accounting periods beginning on or after 1 January 2025);
- IFRS 16 Leases - (effective for accounting periods beginning on or after 1 January 2024);
- IAS 7 and IFRS 7 Supplier finance arrangements - (effective for accounting periods beginning on or after 1 January 2024).

The Company anticipates that the adoption of these Standards and Interpretations will have no material impact on the consolidated financial statements of the Company in the period of initial application, except for certain amended disclosures.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

2. Property, plant and equipment

	Year ended December 31, 2023			Year ended December 31, 2022		
	Cost $	**Accumulated depreciation** $	**Carrying value** $	**Cost** $	**Accumulated depreciation** $	**Carrying value** $
Land	8,907,473	-	8,907,473	79,690	-	79,690
Development Costs*	4,163,157	-	4,163,157	-	-	-
Property, plant and machinery	441,227	(120,836)	320,391	466,126	(96,615)	369,511
Furniture and fixtures	53,018	(29,890)	23,128	49,493	(22,988)	26,505
Motor vehicles	378,560	(228,891)	149,669	421,663	(186,812)	234,851
Office equipment	2,711	(2,711)	-	3,054	(2,575)	479
IT equipment	57,554	(21,863)	35,691	46,961	(14,311)	32,650
Leasehold improvements	181,863	(86,805)	95,058	187,350	(63,560)	123,790
Total	**14,185,563**	**(490,996)**	**13,694,567**	**1,254,337**	**(386,861)**	**867,476**

Reconciliation of property, plant and equipment - year ended December 31, 2023

	Opening balance	**Additions**	**Disposals**	**Foreign exchange movements**	**Depreciation**	**Total**
Land	79,690	8,802,939	-	24,844	-	8,907,473
Development costs*		4,167,887	-	(4,730)	-	4,163,157
Plant and machinery	369,511	19,521	(400)	(34,017)	(34,224)	320,391
Furniture and fixtures	26,505	8,115	-	(2,344)	(9,148)	23,128
Motor vehicles	234,851	-	-	(20,917)	(64,265)	149,669
Office equipment	479	-	-	(21)	(458)	-
IT equipment	32,650	14,951	-	(2,918)	(8,992)	35,691
Leasehold improvements	123,790	11,853	-	(11,108)	(29,477)	95,058
	867,476	**13,025,266**	**(400)**	**(51,211)**	**(146,564)**	**13,694,567**

Reconciliation of property, plant and equipment - year ended December 31, 2022

	Opening balance	**Additions**	**Disposals**	**Foreign exchange movements**	**Depreciation**	**Total**
Land	80,210	-	-	(520)	-	79,690
Property, plant and machinery	408,037	5,409	(2,795)	(2,690)	(38,450)	369,511
Furniture and fixtures	33,195	2,894	-	(221)	(9,363)	26,505
Motor vehicles	332,637	4,049	(25,369)	(2,265)	(74,201)	234,851
Office equipment	1,770	-	(682)	(12)	(597)	479
IT equipment	36,724	7,766	(3,874)	(243)	(7,723)	32,650
Leasehold improvements	153,677	2,284	-	(1,029)	(31,142)	123,790
	1,046,250	**22,402**	**(32,720)**	**(6,980)**	**(161,476)**	**867,476**

* The Company is in the development stage effective August 1, 2023 with respect to its Twin Hills Gold Project. The Company has capitalised costs where such costs have characteristics of an asset relating to development of gold and other precious metal claims. Amortisation will begin when commercial production has commenced.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

3. Right of use asset

	December 31, 2023 $	December 31, 2022 $
Balance at beginning of year	**117,353**	**166,783**
Additions	-	-
Depreciation	(45,629)	(48,291)
Effects of exchange rate movement	(9,092)	(1,139)
Balance at end of year	**62,632**	**117,353**

The right of use asset consists of three properties leased for office space in Feld Street, Windhoek, Namibia, Klein Okawayo, Karibib, Namibia and Walter Sisulu Avenue, Cape Town, South Africa. New leases subject to IFRS 16 were signed as of November 1, 2020 and April 1, 2021 respectively. The right of use assets are depreciated over the period of the lease term.

4. Joint arrangements

Joint ventures

On November 9, 2022, the Company entered into an Earn-In and Shareholder Agreement (the "Richwing Agreement") with Prospect Resources Limited to allow Prospect Resources Limited to earn up to 85% interest in Richwing Exploration (Pty) Ltd which holds the Omaruru Lithium Project in Namibia. Phase 1 consists of a US$560,000 cash payment to acquire 20%, and a commitment to spend a further US$440,000 on the Project with a 12-month period, to earn an additional 20%. Upon the completion of Phase 1, Prospect may commit to a further US$560,000 within a 12-month period for in-ground exploration to reach 51% ownership. Upon the completion of Phase 2 and having earned 51%, development funds are to be contributed on a pro-rata basis. If one party fails to contribute their pro rata share, their shareholding will be diluted. The minority shareholder will be diluted down to 15%, at which point their interest shall be free carried until the completion of the Definitive Feasibility Study for the Project.

In accordance with IFRS 11, management has exercised their judgement in determining the Company's interest in the Richwing Agreement should be classified as a joint venture. During the year ended December 31, 2022, the Company completed the transfer of a 20% interest in Richwing to Prospect and collected cash proceeds of US$560,000. The sale of the interest was recorded as a gain of $708,042 included in exploration and evaluation in the statement of loss and comprehensive loss. On loss of control, the value of the investment in the Richwing Agreement was $nil as at December 31, 2022.

On 7 August 2023, Prospect met the terms of Phase 1 of the Earn-in and Shareholders Agreement, earning the right to increase its shareholding of Richwing to 40%. The Company, through its wholly owned subsidiary Osino Mining Investments Limited, now holds 60% of Richwing.

As at December 31, 2023, the value of the investment in the Richwing Agreement is $nil.

Summarized financial information of Richwing is presented below, on a 100% basis:

	December 31, 2023 $	December 31, 2022 $
Loss and comprehensive loss for the period ended	789,508	122,063
Total assets	112,691	86,117
Total liabilities	(1,015,831)	(222,332)

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

5. Long term deposit

	December 31, 2023 $	December 31, 2022 $
Long term deposit	1,434,246	2,089,331

During the year ended December 31, 2022 the Company had made pre-payments for land transfer taxes and other advances against a conditional agreement for the acquisition of Land forming part of the Twin Hills Gold Project in the amount of $1,466,296. As at December 31, 2023 all conditions relating to the agreement were met and the Company took control over the Land aquired. The prepaid portion under long term deposits has been allocated to Land (Refer to note 2).

During the year ended December 31, 2023 the Company made a further prepayment towards a new conditional agreement for the aquisition of Land for the Twin Hills Gold Project in the amount of $367,740 which is detailed in note 16(a).

In addition, the Company has made payments of $1,066,506 (December 31, 2022 - $623,035) towards the NamPower commitment signed during the 2022 fiscal year and the amended commitment signed during the year ended December 31, 2023 . Refer to Note 16(b).

6. Sales tax receivables and other assets

	December 31, 2023 $	December 31, 2022 $
Sales tax receivables	1,769,050	2,049,850
Prepayments	265,040	90,311
Interest and other receivables	247,230	125,991
Total sales tax receivables and prepaid expenses	**2,281,320**	**2,266,152**

In the fiscal year 2021, Value Added Taxation amounting to $3,518,044 was provided for impairment. The impairment had been included in exploration and evaluation expenditure in the Consolidated Statements of Loss and Other Comprehensive Loss. The Company elected to raise a provision due to delayed refunds from the authorities in Namibia.

In the fiscal year 2022, a decision was taken to reverse the provision raised in 2021 as the Company has been successful in securing the refund of Value Added Taxation claims from the tax authorities in Namibia on a regular basis, and the Company therefore considers the Value Added Taxation receivable outstanding as at December 31, 2023 and December 31, 2022 to be recoverable. Included in exploration and evaluation expenditure in the Consolidated Statements of Loss and Other Comprehensive Loss for the year ended December 31, 2023 is a gain from the reversal of impairment in the amount of $52,938 (December 31, 2022: $3,399,934). The Company continuously monitors the recoverability status of the Value Added Taxation claims submitted for refund.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	December 31, 2023 $	December 31, 2022 $
Cash in bank and on hand	9,308,228	9,571,677
Cash held in short - term GIC's	35,000	10,035,000
	9,343,228	**19,606,677**

The cash held in short-term GIC's is held in both Canadian and United States Dollar.

Included in cash in bank and on hand, is restricted cash pledged with respect to the NamPower guarantee in the amount of NAD2,460,000 ($177,932), (Note 16(b)) and a pledge of NAD1,380,450 ($99,848) as restricted cash collateral for the Wesbank finance facility, (Note 18).

8. Share capital

	December 31, 2023 $	December 31, 2022 $
Issued and outstanding		
Issued common shares	$99,417,998	$88,707,190

Issued and common shares are as follows:

	Number of Shares	Value
Balance as at December 31, 2021	**120,174,793**	**$57,221,521**
Private placement	14,752,500	11,802,000
Exercise of warrants	6,507,750	8,974,838
Exercise of stock options	1,518,282	928,692
Acquisition of Razorback Gold Mining (Proprietary) Limited (refer to note 9)	11,630,628	8,955,584
Shares issued on the acquisition of minority interests	1,037,615	622,571
Exercise of broker warrants	784,364	915,119
Share issuance costs	-	(713,135)
Balance as at December 31, 2022	**156,405,932**	**$88,707,190**
Excecise of stock options	830,700	331,097
Share issuance on exercise of restricted stock units	173,867	182,599
Shares issued on the aquisition of minority interests	1,700,000	1,564,000
Issue of shares	7,195,524	7,770,745
Exercise of broker warrants	711,907	1,127,012
Share issuance costs	-	(264,645)
Balance as at December 31, 2023	**167,017,930**	**$99,417,998**

Notes to the Consolidated Financial Statements

8. Share capital (continued)

Effective July 20, 2022, in line with a commitment entered into between the Company and B2Gold Corp., the holder of EPL3195, 11,630,628 common shares of the Company with a fair value of $8,955,584 was issued as part of the acquisition price for the acquisition of 100% shareholders’ interest in Razorback Gold Mining Company (Pty) Ltd. (Refer to note 9).

Effective September 8, 2022, in line with a commitment entered into between the Company and certain EPL owners, 1,037,615 common shares of the Company with a fair value of $622,571 was issued as part of the acquisition price for the remaining minority interests in Richwing Exploration (Pty) Ltd and Osino Namibia Minerals Exploration (Pty) Ltd.

On December 8, 2022, the Company completed a non - brokered private placement, issuing a total of 14,752,500 shares at a price of $0.80 per share for aggregate gross proceeds of $11,802,000. An amount of $713,135 was paid in commission and share issuance costs.

On August 15, 2022 Osino signed an agreement with Somerschield Investments Close Corporation ("Somerschield") to acquire 3% of the shares in the capital of Osino Gold Exploration and Mining (Proprietary) Limited. Somerschield is owned and controlled by Lazarus Shigwedha, who is a director of the Company and therefore the transaction is a "related party transaction". Effective January 31, 2023, in line with the commitment entered into between the Company and Somerschield, 1,700,000 common shares of the Company with a fair value of $1,564,000 were issued as consideration for the acquisition.

During the year ended December 31, 2022, 2,789,132 stock options were exercised on a cashless basis. No proceeds were received from the exercise and a net total of 1,518,282 common shares were issued. The fair value of the stock options exercised was $928,692 using the Black-Scholes pricing model.

On October 18, 2023, the Company completed a non - brokered private placement, issuing a total of 2,770,745 shares at a price of $1.00 per share for aggregate gross proceeds of $2,770,745. An amount of $247,780 was paid in commission and share issuance costs.

On December 22, 2023, the Company completed a non - brokered private placement, issuing a total of 4,424,779 shares at a price of $1.13 per share for aggregate gross proceeds of $5,000,000.

During the year ended December 31, 2023, 711,907 (December 31, 2022, 7,292,114) share purchase and broker warrants were exercised for proceeds of $819,726 (December 31, 2022, $7,444,940). The fair value of the warrants exercised was $307,286 (December 31, 2022, $2,445,017) using the Black Scholes pricing model.

During the year ended December 31, 2023, a total of 1,079,101 stock options with expiry dates of October 10, 2023 and February 27, 2025 were exercised. 954,101 stock options were excercised on a net cash basis and were settled through the issuance of 705,700 common shares. The remaining 125,000 stock options were exercised for gross proceeds of $62,500 and 125,000 common shares were issued. The fair value of all the stock options exercised was $268,597 and was transferred to share capital upon exercise.

During the year ended December 31, 2023 173,867 RSUs were exercised resulting in the issue of 173,867 common shares (December 31, 2022: $nil). The fair value of the RSUs exercised was $182,599 (December 31, 2022: $nil).

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

8. Share capital (continued)

Stock options and share-based payments

	Number of Options	Weighted Average Exercise Price
Balance as at December 31, 2021	**8,610,396**	**$0.70**
Issued	5,382,800	$0.99
Exercised	(2,789,132)	($0.38)
Expired	(418,829)	($0.38)
Balance as at December 31, 2022	**10,785,235**	**$0.94**
Issued	175,000	$1.14
Exercised	(1,079,101)	($0.32)
Expired	(660,000)	($0.89)
Balance as at December 31, 2023	**9,221,134**	**$1.02**

On February 8, 2022, the Company issued 150,000 stock options at an exercise price of $1.15 and an expiry date of February 8, 2027. The stock options were valued at $109,065 using the Black-Scholes pricing model with the following assumptions:

> share price - $1.12; risk free rate – 1.28%; expected volatility – 82%; dividend yield – nil; and expected life – 5 years.

The stock options are subject to the following vesting conditions: 50,000 stock options vested on March 30, 2022, 50,000 stock options vested on March 30, 2023, the remaining 50,000 stock options will vest on March 30, 2024.

On February 22, 2022, the Company issued 1,470,000 stock options at an exercise price of $1.20 and an expiry date of February 22, 2027. The stock options were valued at $1,080,597 using the Black-Scholes pricing model with the following assumptions:

> share price - $1.14; risk free rate – 1.45%; expected volatility –82%; dividend yield – nil; and expected life – 5 years.

The stock options are subject to the following vesting conditions: 490,000 stock options vested on the grant date, 490,000 stock options vested on February 22, 2023, the remaining 490,000 stock options will vest on February 22, 2024.

On December 8, 2022, the Company issued 3,762,800 stock options at an exercise price of $0.90 and an expiry date of December 8, 2027. The stock options were valued at $2,038,945 using the Black-Scholes pricing model with the following assumptions:

> share price - $0.82; risk free rate – 3.78%; expected volatility – 80%; dividend yield – nil; and expected life – 5 years.

The stock options are subject to the following vesting conditions: 1,254,267 stock options vested on the grant date, 1,254,267 stock options vested on December 8, 2023, the remaining 1,254,267 stock options will vest on December 8, 2024.

On May 09, 2023, the company issued 175,000 stock options at an exercise price of $1.14 and an expiry date of May 09, 2028. The stock options were valued at $129,710 using the Black-Scholes pricing model with the following assamptions:

Presented in Canadian dollars

8. Share capital (continued)

share price - $1.19; risk free rate – 3.80%; expected volatility – 71.28%; dividend yield – nil; and expected life – 5 years.

The stock options are subject to the following vesting conditions: 58,333 stock options vested on the grant date, 58,333 stock options will vest on May 9, 2024, the remaining 58,334 stock options will vest on May 9, 2025.

During the year ended December 31, 2023, the Company recorded $1,354,866 (December 31, 2022: $2,033,315) in share - based compensation relating to the vesting of stock options.

The following table summarizes information about the Company's stock options outstanding as at December 31, 2023:

Options outstanding	Expiration Date	Exercisable December 31, 2023	Exercise price
100,000	April 26, 2024	100,000	$0.40
1,553,334	February 27, 2025	1,553,334	$0.80
400,000	August 7, 2025	400,000	$1.40
400,000	December 21, 2025	400,000	$1.25
1,510,000	March 5, 2026	1,510,000	$1.25
1,320,000	February 22, 2027	880,000	$1.20
3,762,800	December 8, 2027	2,508,533	$0.90
175,000	May 9, 2028	58,333	$1.14
9,221,134		**7,410,200**	**$1.02**

Warrants reserve

	Number of Warrants	Weighted Average Exercise Price
Balance as at December 31, 2021	**13,716,913**	**$1.14**
Issued (refer to note 12)	2,061,524	$0,87
Exercised	(7,292,114)	($1.02)
Expired	(1,079,345)	($1.05)
Balance as at December 31, 2022	**7,406,978**	**$1.20**
Issued (refer to note 12)	2,417,689	$1.46
Exercised	(711,907)	($1.15)
Expired	(7,320)	($1.10)
Balance as at December 31, 2023	**9,105,440**	**$1.27**

8. Share capital (continued)

The following table summarizes information about the Company's common share purchase warrants outstanding as at December 31, 2023:

Grant Date	Expiration Date	Exercise Price	Balance Outstanding December 31, 2023
November 1, 2021*	June 1, 2024	$1.35	4,626,227
November 8, 2022**	November 8, 2024	$0.86	2,061,524
May 9, 2023**	May 9, 2025	$1.43	1,233,737
August 17, 2023**	August 17, 2025	$1.49	1,183,952
Total outstanding			**9,105,440**

*On August 28, 2023 the company announced that it has amended the terms of its warrant indenture dated October 28, 2021 for common share purchase warrants exercisable at $1.35, extending the expiry date by 9 months from the original expiry date of September 1, 2023 to the new expiry date of June 1, 2024

** The exercise price is denominated in USD. (Refer to Note 12).

Restricted Stock Unit Plan and Reserve

Summary of Restricted Stock Units (RSU's)

Below is a summary of RSU's outstanding including performance RSU's:

(in number of units)	December 31, 2023	December 31, 2022
Outstanding at the beginning of the year	2,290,938	1,330,400
Granted	1,753,070	960,538
Exercised	(173,867)	-
Expired and unexercised	(38,493)	-
Outstanding at the end of the year	**3,831,648**	**2,290,938**

For the year ended December 31, 2020, the Company adopted a RSU plan. The RSU plan provides for a fixed maximum limit of 10,217,904 RSU's. The grant date fair value of the RSU equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity.

Effective July 14, 2023, the Company adopted an amended and restated Omnibus Long-Term Incentive Plan (the "LTIP"). The LTIP plan provides for a fixed maximum limit that the total number of shares reserved and available for grant and issuance pursuant to any awards under the plan or any grants under any Share Compensation Arrangements of the Company, including DSU's, RSU's and Stock Options, shall not exceed ten percent (10%) of the total issued and outstanding shares of the Company. The fair value of the RSUs and DSUs equals the fair market value of the corresponding shares as at the date of grant. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

8. Share capital (continued)

Summary of Deferred Stock Units (DSU's)

Below is a summary of DSU's outstanding including performance DSU's:

(in number of units)	December 31, 2023	December 31, 2022
Outstanding at the beginning of the year	-	-
Granted	139,244	-
Outstanding at the end of the year	**139,244**	**-**

During the year ended December 31, 2022, the Company granted 960,538 RSU's to officers, directors and key employees under its RSU plan. The RSU's and DSU's were issued in the following terms:

- 389,373 RSU's vested immediately on February 22, 2022
- 421,165 RSU's vest one-third on February 22, 2022 and one-third after each one year period on February 22, 2023 and February 22, 2024 respectively
- 50,000 RSU's vested on March 30, 2022
- 50,000 RSU's vested on December 30, 2022
- 50,000 RSU's vested on December 30, 2023

During the year ended December 31, 2023, the Company granted 1,753,070 RSU's and 139,244 DSU's to officers, directors and key employees under its updated Omnibus Long Term Incentive Plan. The RSU's and DSU's were issued on the following terms:

- 405,090 RSU's will vest on January 23, 2024
- 277,950 RSU's will vest one-third each year on May 09, 2024; May 09, 2025 and May 09, 2026
- 1,070,030 RSU's will vest on December 20, 2024
- 37,040 DSU's will vest on May 09, 2024
- 35,716 DSU's will vest on July 02, 2024
- 37,916 DSU's will vest on September 28, 2024
- 28,572 DSU's will vest December 29, 2024

The RSU's and DSU's are disclosed within the Share - based Payment Reserve in the Consolidated Statements of Changes in Equity.

During the year ended December 31, 2023, the Company recorded $705,369 (December 31, 2022: $503,706) in share - based compensation relating to the vesting of RSU's and DSU's. This was recorded as salaries and benefits in the Consolidated Statements of Loss and Other Comprehensive Loss.

During the year ended December 31, 2022, 389,373 RSU's with a fair value of $443,885 were issued to related parties in settlement of previously outstanding bonuses and longterm service awards.

As at December 31, 2023, there are 3,831,648 RSU's outstanding and 1,945,412 RSU's are exercisable (December 31, 2022 - 2,290,938 RSU's outstanding and 1,910,161 RSU's were exercisable).

As at December 31, 2023, there were 139,244 DSU's outstanding and nil DSU's are exercisable (December 31, 2022 - nil DSU's outstanding and nil DSU's were exercisable).

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

9. Acquisition of Razorback Gold Mining Company (Proprietary) Limited

On December 31, 2021, the Company entered into an agreement to acquire the Ondundu gold exploration property in Namibia from B2Gold Corp. ("B2Gold"). Under the terms of the Acquisition agreement, Osino has agreed to purchase all of the issued and outstanding shares of the Namibian company, Razorback Gold Mining Company (Proprietary) Limited ("Razorback"), which owns 100% of the exclusive prospecting license 3195 covering 19,969 hectares located approximately 130km northwest of Osino's Twin Hills Gold Project in Namibia, together with all technical information and other books and records. The agreement was subsequently amended on June 28, 2022, and again on July 18, 2022.

On July 20, 2022, the transaction closed, and the Company acquired all of the issued and outstanding shares in Razorback in exchange for the issuance of 11,630,628 common shares of Osino to B2Gold (note 8) to satisfy aggregate consideration of US$8,850,000. Under the Acquisition Agreement, the remaining US$6,350,000 of the aggregate US$15,200,000 purchase price may also be settled through more shares in lieu of cash.

Per the terms of the acquisition agreement, a total of US$3,850,000 will be paid to B2Gold on the first business day after the six-month anniversary of the closing date, at the option of B2 Gold, in either cash or common shares of Osino ("Six-Month Payable"). A total of US$2,500,000 will be paid to B2Gold on the earlier of completion of a feasibility study including the License area and first production or sale of ores, minerals or mineral products from the License area, payable at Osino's option in cash or common shares of Osino ("Deferred Consideration Payable").

In accordance with IFRS 3, management has excercised their judgement in determining the acquisition of Razorback Gold Mining Company (Pty) Ltd. The acquisition was determined that of an asset acquisition as it did not meet the definition of a business acquisition.

The acquisition has been measured using the fair value of the consideration transferred. The excess of the consideration transferred over the fair value of the other assets has been allocated to exploration and evaluation expenses.

The value of the common shares was based on the fair value of the shares on the date of close (July 20, 2022). The value of the Six-Month Payable was based on the fair value of the consideration disclosed in the acquisition agreement.

The Company used judgment to determine that the settlement for the Deferred Consideration payable could not be reliably estimated at this time, and as a result the amount has not been accrued for in the consolidated financial statements.

The purchase price allocation is set out as follows:

Issuance of 11,630,628 common shares	$	8,955,584
Value of Six-Month Payable		4,953,569
Total consideration at acquisition date	**$**	**13,909,153**
Allocation of purchase price at acquisition date:		
Cash	$	332
VAT Receivable		14
		13,908,807
Total	**$**	**13,909,153**
Total liability as of July 20, 2022	$	4,953,569
Foreign exchange movement for the period	$	260,640
Total liability as of December 31, 2022	**$**	**5,214,209**
Foreign exchange gain		(77,731)
Repayment of liability		(5,136,478)
Total Liability as of December 31, 2023	**$**	**-**

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

9. Acquisition of Razorback Gold Mining Company (Proprietary) Limited (continued)

**The Company settled the "Six-Month Payable" in cash in accordance with the terms of the agreement.*

b) Aquisition of Klein Okawayo (Proprietary) Limited

On May 11, 2021, the Company entered into an agreement to acquire Klein Okawayo (Pty) Ltd ("Klein Okawayo") in Namibia from the sellers. Under the terms of the Acquisition agreement, Osino has agreed to purchase all of the issued and outstanding shares of Klein Okawayo for the amount of $1,802,060 in cash. The agreement was subsequently amended on June 30, 2022, and again on December 18, 2022. On May 22, 2023, the transaction closed.

In accordance with IFRS 3, management has excercised their judgment in determining the acquisition of Klein Okawayo (Pty) Ltd. The acquisition was determined that of an asset acquisition as it did not meet the definition of a business acquisition.

The acquisition has been measured using the fair value of the consideration transferred. The excess of the consideration transferred over the fair value of the identifyable assets has been allocated to Land included in Property, Plant and Equipment (note 2).

The purchase price allocation is set out as follows:

Cash payments transferred	$	1,802,060
Total consideration at acquisition date:	**$**	**1,802,060**

Consideration allocation:

Land	$	1,802,060
Total consideration transferred	**$**	**1,802,060**

10. Other financial liabilities

	December 31, 2023 $	**December 31, 2022 $**
Held at amortised cost		
First National Bank Leases	80,814	156,699
Deferred consideration payable	2,700,781	-
	2,781,595	**156,699**

Summary of First National Bank leases:	**December 31, 2023 $**	**December 31, 2022 $**
Balance at the beginning of the year	156,699	226,882
Finance charges	14,381	20,050
Finance lease instalments	(66,665)	(88,720)
Effects of exchange rate movements	(23,601)	(1,513)
Balance at end of year	**80,814**	**156,699**

The finance leases are held at amortized cost and are subject to interest at rates between 9.50% and 13.50% per annum and are repayable in 54 monthly instalments.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

10. Other financial liabilities (continued)

Summary of Deferred consideration payable:	**December 31, 2023 $**	**December 31, 2022 $**
Deferred consideration for the aquisition of Land	2,496,330	-
Accretion on deferred consideration	198,065	-
Foreign exchange gain/(loss)	6,386	-
Balance at end of year	**2,700,781**	**-**

The Deferred consideration payable refers to the Okawayo Land acquisition.

The agreement was entered into as of August 2, 2021 which was amended on June 27, 2022 and again on December 5, 2022. The agreement closed on June 15, 2023 whereby Osino Property Holdings (Pty) Ltd, a wholly owned subsidiary of the Company acquired the Land for the Twin Hills Gold Project. The purchase price is to be settled as NAD$50,000,000 in cash by the registration date (paid), NAD$20,000,000 ("First Anniversary Payment") payable within 30 days after the first anniversary of the registration date in cash and NAD$25,000,000 ("Second Anniversary Payment") due and payable within 30 days from the second anniversary of the registration date in cash or shares at the election of the Company (exclusive of costs, fees and taxes). The agreement also includes an early settlement option to pay the second Anniversary Payment within 30 days after the first anniversary registration date, with the benefit of a 20% discount to the Second Anniversary Payment settlement value. The Company has estimated that it will settle the deferred consideration a year from the registration date thus the obligation is classified as a current liability. The deferred consideration liabilities are subject to accretion rates of 14.24% per annum.

Split between non-current and current portions

	December 31, 2023 $	**December 31, 2022 $**
Non-current liabilities	24,941	95,341
Current liabilities	2,756,654	61,358
	2,781,595	**156,699**

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

11. Lease liability

	December 31, 2023 $	December 31, 2022 $
Balance at beginning of the year	**129,907**	**174,338**
Additions	-	-
Finance charges	6,216	9,667
Lease instalments	(51,005)	(52,918)
Effect of exchange rate movement	(11,825)	(1,180)
Balance at end of the year	**73,293**	**129,907**

Split between non-current and current portions

	December 31, 2023 $	December 31, 2022 $
Non-current liabilities	28,678	83,743
Current liabilities	44,615	46,164
	73,293	**129,907**

The lease liabilities are unsecured and bear interest at a rate of 6.5% per annum. The remaining lease terms vary from 3 to 33 months. The undiscounted future payments for settlement of the leases amount to $77,789. Refer to note 3 for the right of use asset. The repayment terms applicable to the lease liability are in terms of signed lease agreements.

12. Credit facility

The Company entered into a US$15 million credit facility with Nebari Gold Fund 1, LP and Nebari Natural Resources Credit Fund 1, LP (each as Lender and collectively, "Nebari"), with Nebari Gold Fund LP 1, LP as collateral agent. Certain Osino subsidiaries are pledged as a security against the loan. The credit facility is available in three separate tranches of US$5 million. The credit facility has a maturity date which is two years from the initial draw of the first tranche and is expected to be repaid from the proceeds of the project finance facilities to be arranged for the Twin Hills Gold Project in 2023.

The Credit Facility has an initial arrangement fee of US$50,000 payable to Nebari for the first tranche and additional arrangement fees of US$50,000 payable to Nebari for each subsequent tranche. The credit facility bears an interest rate based on the Secured Overnight Financing Rate of the Federal Reserve Bank of New York (SOFR) plus a margin of 5%. The credit facility also carries an additional guaranteed interest, at an original issue discount of 10% for the first year of each loan to be made under each tranche provided for under the credit facility (US$555,556 of guaranteed interest payable inclusive of each tranche the Company commits to), 12% for the period between 13-18 months (US$681,818 of guaranteed interest payable inclusive of each tranche the Company commits to), and 14% for the period between 19-24 months (US$813,954 of guaranteed interest payable inclusive of each tranche the Company commits to).

12. Credit facility (continued)

Osino will also grant to the lender, for each of the three tranches of the credit facility that the Company commits to, the number of warrants equal to approximately 26.67% of the amount of each applicable draw on a tranche divided by the applicable exercise price. The exercise price is calculated in USD and is equal to a 30% premium to the 10-day volume weighted average price for common shares of Osino for the 10 days immediately preceding the date of written request by Osino to Nebari for a draw on a tranche of the credit facility. Each Warrant entitles the holder to acquire a common share of the Company upon exercise thereof for a period of 24 months from the date of issuance.

The warrants issued under the credit facility meets the definition of a derivative liability instrument as the exercise price is denominated in a currency other than the Company’s functional currency, and as such does not meet the fixed for fixed criteria. The credit facility has been subsequently measured at amortized cost using the effective interest method. The effective interest rate of the credit facility is based on the present value (credit facility principal, less value of the warrants and issuance costs), future value and term.

Tranche 1

Effective November 8, 2022, the Company drew the first US$5 million tranche of the credit facility and issued 2,061,524 warrants ("Tranche 1 warrants") with an exercise price of US$0.65. The effective interest rate of the credit facility is 15.49%. The Company incurred transaction costs of $538,876 related to tranche one. A total of $488,844 of the costs were capitalized to the credit facility and $50,032 were expensed.

The Nebari warrants were valued at $622,494, using the Black - Scholes pricing model with the following assumptions:

> (i) volatility of 61%, (ii) risk free interest rate of 4.14%, (iii) exercise price ($0.86), (iv) fair value of common stock ($0.85), and (v) expected life of 2.0 years.

The Nebari Tranche 1 warrants were revalued at December 31, 2022, at $589,390, using the Black - Scholes pricing model with the following assumptions:

> (i) volatility of 60%, (ii) risk free interest rate of 4.07%, (iii) exercise price ($0.87), (iv) fair value of common stock ($0.85), and (v) expected life of 1.833 years.

The Nebari Tranche 1 warrants were revalued at December 31, 2023, at $1,271,205, using the Black - Scholes pricing model with the following assumptions:

> (i) volatility of 58.31%, (ii) risk free interest rate of 3.88%, (iii) exercise price ($0.86), (iv) fair value of common stock ($1.40), and (v) expected life of 0.85 years.

Tranche 2

Effective May 9, 2023, the Company drew the second US$5 million tranche of the credit facility and issued 1,233,737 warrants ("Tranche 2 warrants") with an exercise price of US$1.08. The effective interest rate of the credit facility is 12.16%. The Company incurred transaction costs of $68,932 related to Tranche 2. A total of $64,504 of the costs were capitalized to the credit facility and $4,429 were expensed.

The Nebari warrants were valued at $429,213, using the Black - Scholes pricing model with the following assumptions:

> (i) volatility of 60.48%, (ii) risk free interest rate of 3.8%, (iii) exercise price ($1.45), (iv) fair value of common stock ($1.19), and (v) expected life of 2.0 years.

12. Credit facility (continued)

The Nebari Tranche 2 warrants were revalued at December 31, 2023, at $500,585, using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 61.49%, (ii) risk free interest rate of 3.88%, (iii) exercise price ($1.43), (iv) fair value of common stock ($1.40), and (v) expected life of 1.35 years.

Tranche 3

Effective August 17, 2023, the Company drew the third US$5 million tranche of the credit facility and issued 1,183,952 warrants ("Tranche 3 warrants") with an exercise price of US$1.13. The effective interest rate of the credit facility is 13.94%. The Company incurred transaction costs of $67,539 related to Tranche 3. A total of $63,605 of the costs were capitalized to the credit facility and $3,934 were expensed.

The Nebari warrants were valued at $354,655, using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 59.63%, (ii) risk free interest rate of 4.78%, (iii) exercise price ($1.53), (iv) fair value of common stock ($1.14), and (v) expected life of 2.0 years.

The Nebari Tranche 3 warrants were revalued at December 31, 2023, at $512,378 using the Black - Scholes pricing model with the following assumptions:

(i) volatility of 62.74%, (ii) risk free interest rate of 3.88%, (iii) exercise price ($1.49), (iv) fair value of common stock ($1.40), and (v) expected life of 1.63 years.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

12. Credit facility (continued)

Loan liability summary

	December 31, 2023 $	December 31, 2022 $
Long term portion		
Balance at beginning of year	5,771,493	-
Loan advanced at fair value	12,528,175	5,610,084
Accretion on credit facility	779,724	63,895
Owner issuer discount interest charge	1,010,454	54,406
Foreign exchange effect	(333,262)	43,108
Capitalized interest transferred from short term portion of debt facility	288,059	-
	-	-
Transfererd to Short term liabilities	(20,044,643)	-
Balance at end of year	**-**	**5,771,493**
Short term portion		
Balance at the beginning of year	-	-
Transferred from Long term portion	20,044,643	-
Balance at end of year	**20,044,643**	**-**
Interest payable		
Balance at beginning of the year	102,547	-
Interest expense	1,583,781	102,267
Foreign exchange effect	(15,343)	280
Capitalised interest transferred to long term portion of debt facility	(288,059)	-
Interest payments to credit facility*	(1,382,926)	-
Balance at end of the year	**-**	**102,547**

*Effective December 31, 2023, the company settled the accrued interest on the credit facility in accordance with the terms of the Credit Facility Agreement.

Continuity of warrant derivative summary

	December 31, 2023 $	December 31, 2022 $
Balance at the beginning of year	589,390	-
Addition to warrant derivative	773,275	622,494
Fair value adjustment - Tranches 1, 2 and 3	962,627	(32,229)
Foreign exchange effect	(41,124)	(875)
Balance at the end of year	**2,284,168**	**589,390**

Included in financing charges and accretion adjustments in the Consolidated Statements of Loss and Other Comprehensive Loss is the accretion and owner issuer discount ("OID") interest related to the credit facility, as described above. A fair value adjustment to the warrant derivatives (Tranche 1, Tranche 2 and Tranche 3 warrants) in the amount of $962,627 (December 31, 2022: ($32,229)) is included in the Company's Consolidated Statement of Loss and Other Comprehensive Loss.

The Company recorded interest expense of $1,583,781 (December 31, 2022: $102,267) related to the credit facility calculated at an interest rate of SOFR plus a margin of 5%. This amount has been included in finance charges and accretion adjustment in the Consolidated Statements of Loss and Other Comprehensive Loss.

The loan is subject to certain financial covenants. The Company was compliant with all credit facility covenants as at December 31, 2023.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

13. Trade and other payables

	December 31, 2023 $	December 31, 2022 $
Financial instruments:		
Trade payables	3,651,311	1,359,225
Accrued expense	1,760,431	1,209,271
	5,411,742	**2,568,496**

14. Cash used in operations

	December 31, 2023 $	December 31, 2022 $
Loss before taxation	(24,920,889)	(30,326,835)
Adjustments for:		
Depreciation and amortisation	192,193	209,767
Loss on disposal of assets	400	32,720
Leave pay provision	27,115	6,427
Stock options expense	1,354,866	2,033,315
Financing charges and accretion adjustment	2,210,026	185,827
Foreign exchange movement	(128,924)	115,633
Fair value adjustment on warrant derivative	962,627	32,229
Reversal of VAT impairment	-	(529,945)
Acquisition of Razorback Gold Mining Company (Pty) Ltd	-	13,909,153
Vesting of restricted stock units	705,369	503,706
Changes in working capital:		
Other receivables and prepaid expenses	(15,168)	(1,560,880)
Trade and other payables	(2,320,344)	(125,294)
	(21,932,729)	**(15,514,177)**

Presented in Canadian dollars

15. Taxation

a) Provision for income taxes

The following table reconciles the expected income tax provision at the statutory tax rate of 26.5%% (2022 - 26.5%) to the amounts recognised in the statements of profit or loss and other comprehensive income:

	December 31,2023 $	December 31,2022 $
Net loss before income taxes	(24,920,889)	(30,326,835)
Statutory rate	26.5%	26.5%
Income tax expense at statutory rate	(6,604,036)	(8,036,611)
Non - deductible expenditure	77,606	(764,083)
Exploration expenditures	-	3,719,778
Stock based compensation	545,962	672,311
Share issuance costs booked through equity	(70,131)	(188,592)
Foreign tax rates differentials	(1,146,393)	(1,440,042)
Change in tax benefits not recognized	7,196,992	3,053,574
Prior year true-up	-	2,896,686
Other	-	-
Foreign exchange	-	86,981
Income tax expense	-	-

b) Deferred tax balances

The following table summarizes the components of deferred tax:

	December 31,2023 $	December 31,2022 $
Deferred Tax Assets		
Non-capital losses carried forward	541,810	242,659
Deferred Tax Liabilities		
Property, plant & Equipment	(109,037)	(132,310)
Nebari credit facility	-	(110,349)
Prepayments	(432,773)	-
Net deferred tax Asset	-	-

Deferred taxes for the Company have not been recognised in respect of the deductible temporary differences set out below:

	December 31,2023 $	December 31,2022 $
Non-capital losses carried forward - Canada	23,610,664	13,223,732
Non-capital losses carried forward - Namibia	47,994,427	50,361,337
Financing fees deductible in future periods	3,425,607	2,928,237
Exploration and Evaluation expenditure in Namibia	8,604,798	-
Other temporary differences	988,598	665,471
Total	84,624,094	67,178,777

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

15. Taxation (continued)

Share issue and financing costs will be fully amortized in 2027. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

c) Losses

As at December 31 2023, the Company can carry forward Canadian non-capital losses to reduce taxable income in future years expiring as follows:

2035	$ 13,536
2036	$ 204,280
2037	$ 491,264
2038	$ 871,691
2039	$ 1,888,639
2040	$ 2,413,313
2041	$ 3,138,431
2042	$ 4,185,241
2043	$ 10,404,269
Total	$ 23,610,664

Namibia losses of $58,044,177 can be carried forward indefinitely.

16. Commitments

As at December 31, 2023, the Company had the following contractual arrangements and commitments in place for the provision of certain services:

a) On December 5, 2022, the Company, through a wholly owned subsidiary, entered into a conditional agreement for the acquisition of Land for the development of the Twin Hills Gold Project. The agreement is subject to the fulfilment of various suspensive conditions which the Company is in the process of completing. The conditional agreement has “Longstop Date” of November 15, 2024.

b) On June 21, 2022, the Company concluded a power supply agreement amended December 7, 2022 and amended January 22, 2024 (refer to note 18) with the national utility for electrical power in Namibia, NamPower, for the supply of electrical power to the Twin Hills Gold Project. The commitment consists of a upfront capital contribution, monthly extension charges and a security deposit that is not yet due. The Company is compliant with the terms of the agreement and has commenced making payments towards the commitment in the year ended December 31, 2022 and 2023. The commitment amounts to approximately $1,774,292 as at December 31, 2023.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

17. Segmented information

The Company operates in two reportable geographical segments. Segments are defined as components for which separate financial information is available and is regularly evaluated by the chief operating decision maker.

December 31, 2023	**Canada**	**Namibia**	**Total**
Assets	$8,585,160	$18,230,833	$26,815,993
Net loss	$14,559,476	$10,361,413	$24,920,889

December 31, 2022	**Canada**	**Namibia**	**Total**
Assets	$18,051,426	$6,895,563	$24,946,989
Net loss	$19,994,595	$10,332,240	$30,326,835

18. Capital management

As at December 31, 2023, the capital structure of the Company consists of equity balance of ($3,772,706) (December 31, 2022 - $11,791,956). The Company's objective when managing the capital structure is to ensure sufficient financial resources exist to meet the Company's strategic exploration and business development activities. The Company has access to a facility with Wesbank, a division of FirstRand Bank Limited in South Africa to the value of NAD4,000,000 ($289,320).

The Company has also secured a performance guarantee from First National Bank of Namibia, via Rand Merchant Bank in the amount of NAD22,000,000 ($1,591,260) as at December 31, 2023 with respect to the power supply agreement signed with NamPower. The guarantee is subject to suspensive conditions and terms that are common to such transactions. Refer to note 16(b).

The Company is not subject to any externally imposed capital requirements.

19. Events after the reporting period

a) Subsequent to year ended December 31, 2023 6,807,484 shares were issued related to the exercise of stock options, warrants and RSUs, for gross proceeds of $6,081,417.

b) Bridge private placement: On January 30, 2024 the Company completed the second of the non-brokered priviate placement of common shares to DPM. The Company issued 4,424,778 shares to DPM at a price of $1.13 per share for an aggregate gross proceeds of $5,000,000.

c) On February 19, 2024 the Company announced the receipt of the Superior Aquisition Proposal for the aquisition of all of the issued and outstanding common shares of the Company for a cash consideration of C$1.90 for each Common Share by way of a plan of arrangement.

d) On February 25, 2024 the Company terminated its arrangement agreement with Dendee Precious Metals Inc ("DPM") and settled the termination fee due to DPM of $10,000,000 (US$7,416,197). The Company also announced that it has entered into a new binding arrangement agreement ("Yintai Arrangement Agreement") to which Yintai Gold Co Ltd ("Yintai") will acquire all of the outstanding common shares of the Company. The Company is subject to a termination fee due to DPM in the amount of $10,000,000 which has subsequently been recovered from Yintai.

Presented in Canadian dollars

Notes to the Consolidated Financial Statements

19. Events after the reporting period (continued)

e) Effective February 26, 2024, Yintai provided Osino with a loan comprising (i) US$10 million facility provided concurrently with the execution of the arrangement agreement to enable the continued, fast-tracked development of the Twin Hills Gold Project and to fund other liquidity needs of Osino and (ii) an amount equal to US$7,416,197 ($10,000,000 equivalent value) that equates to the termination fee paid by Osino following the termination of the DPM Arrangement Agreement. The loans total value of US$17,416,197 will be known as the “Yintai Facility”. The loan is convertible into common shares at Yintai's option at a rate of $1.39 per common share.

20. Mineral rights

The Company has various early stage gold exploration projects (“The Twin Hills Gold Project”) in the Republic of Namibia (“Namibia”). The Twin Hills Gold Project is located in central Namibia in the area known as the Central Plateau. The project area extends from approximately 150 km northwest to 300km north-northeast of the capital city of Namibia, Windhoek. The Company currently holds the controlling share in the rights to 16 exclusive prospecting licenses in Namibia and 1 mining license for the Twin Hills Gold Project.

21. Related parties

	December 31, 2023	December 31, 2022
Management and directors fees expensed	$842,000	$1,363,450
Share-based payments, non-cash	$1,130,236	$1,177,405
Total	$1,972,236	$2,540,855

Key management compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, the Chairman and Directors. For the year ended December 31, 2023, total key management compensation was $1,972,236 (December 31, 2022 - $2,540,855), which includes management fees, bonuses and salaries of $617,000 (December 31, 2022 - $1,213,450), directors fees of $225,000 (December 31, 2022 - $150,000) and share-based compensation of $1,130,236 (December 31, 2022 - $1,177,405).

As at December 31, 2023, $nil (December 31, 2022 - $673,450) of related party payments due was included in trade and other payables. In 2022, 389,373 RSU's with a fair value of $443,885 were issued to related parties in settlement of previously outstanding bonuses and long term service awards.

22. Loss per share

Net loss per share

The calculation of basic and diluted loss per share for the year ended December 31, 2023 was based on the loss attributable to common shareholders of $24,879,558 (December 31, 2022 – $30,035,279) and the weighted average number of common shares outstanding of 159,179,285 (December 31, 2022 – 133,651,226). Diluted loss per share did not include the effect of stock options, warrants, RSUs and DSUs as they are anti-dilutive.

Notes to the Consolidated Financial Statements

23. Financial instruments

Fair value hierarchy

IFRS 7 establishes a fair value hierarchy that reflects significance of inputs in measuring fair value as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

Fair value

The following tables set forth the Company's assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy. As required by accounting guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted prices in active markets for identical assets (Level1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Cash and cash equivalents	9,343,228	-	-
Warrant derivative	-	(2,284,168)	-
	9,343,228	**(2,284,168)**	**-**

Warrant derivatives

The company has issued warrants which contain an warrant derivative component (Note 12). The following table is a sensitivity analysis of the impact on the consolidated statement of loss and comprehensive loss of an increase or a decrease in the assumptions that are used to value the warrant liability which is and classified as a level 2 in the fair value hierarchy:

Inputs	**Sensitivity rate %**	**Impact of increase $**	**Impact of decrease $**
Stock price, volatility rate and discount rate	10	626,887	(542,807)

23. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements for capital programs and operations.

The Company intends to issue equity and secure debt funding to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its financial obligations and the Company's capital programs.

Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations. The Company is exposed to minimal credit risk on cash. The risk is mitigated by cash being held with chartered banks.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices.

(i) Interest rate risk

The Company is not exposed to the risk that the value of financial instruments will change due to movement in market interest rates.

(ii) Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

A fluctuation of +/-10% provided as an indicative range in currency movement, on assets that are denominated in foreign currencies other than Canadian dollars and Namibian dollars, with, all other things being equal, have an effect on the after-tax net loss and other comprehensive loss of approximately +/- $2,131,655 (December 31, 2022: $553,462).

(iii) Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

(iv) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any other price risk.